

or other entity in an Allowance Management System account, the Administrator will assign each TR NO<sub>x</sub> Ozone Season allowance a unique identification number that will include digits identifying the year of the control period for which the TR NO<sub>x</sub> Ozone Season allowance is allocated or auctioned.

[76 FR 48406, Aug. 8, 2011, as amended at 76 FR 80777, Dec. 27, 2011]

**§ 97.522 Submission of TR NO<sub>x</sub> Ozone Season allowance transfers.**

(a) An authorized account representative seeking recordation of a TR NO<sub>x</sub> Ozone Season allowance transfer shall submit the transfer to the Administrator.

(b) A TR NO<sub>x</sub> Ozone Season allowance transfer shall be correctly submitted if:

(1) The transfer includes the following elements, in a format prescribed by the Administrator:

(i) The account numbers established by the Administrator for both the transferor and transferee accounts;

(ii) The serial number of each TR NO<sub>x</sub> Ozone Season allowance that is in the transferor account and is to be transferred; and

(iii) The name and signature of the authorized account representative of the transferor account and the date signed; and

(2) When the Administrator attempts to record the transfer, the transferor account includes each TR NO<sub>x</sub> Ozone Season allowance identified by serial number in the transfer.

**§ 97.523 Recordation of TR NO<sub>x</sub> Ozone Season allowance transfers.**

(a) Within 5 business days (except as provided in paragraph (b) of this section) of receiving a TR NO<sub>x</sub> Ozone Season allowance transfer that is correctly submitted under § 97.522, the Administrator will record a TR NO<sub>x</sub> Ozone Season allowance transfer by moving each TR NO<sub>x</sub> Ozone Season allowance from the transferor account to the transferee account as specified in the transfer.

(b) A TR NO<sub>x</sub> Ozone Season allowance transfer to or from a compliance account that is submitted for recordation after the allowance transfer dead-

line for a control period and that includes any TR NO<sub>x</sub> Ozone Season allowances allocated for any control period before such allowance transfer deadline will not be recorded until after the Administrator completes the deductions from such compliance account under § 97.524 for the control period immediately before such allowance transfer deadline.

(c) Where a TR NO<sub>x</sub> Ozone Season allowance transfer is not correctly submitted under § 97.522, the Administrator will not record such transfer.

(d) Within 5 business days of recordation of a TR NO<sub>x</sub> Ozone Season allowance transfer under paragraphs (a) and (b) of the section, the Administrator will notify the authorized account representatives of both the transferor and transferee accounts.

(e) Within 10 business days of receipt of a TR NO<sub>x</sub> Ozone Season allowance transfer that is not correctly submitted under § 97.522, the Administrator will notify the authorized account representatives of both accounts subject to the transfer of:

(1) A decision not to record the transfer, and

(2) The reasons for such non-recordation.

**§ 97.524 Compliance with TR NO<sub>x</sub> Ozone Season emissions limitation.**

(a) *Availability for deduction for compliance.* TR NO<sub>x</sub> Ozone Season allowances are available to be deducted for compliance with a source's TR NO<sub>x</sub> Ozone Season emissions limitation for a control period in a given year only if the TR NO<sub>x</sub> Ozone Season allowances:

(1) Were allocated for such control period or a control period in a prior year; and

(2) Are held in the source's compliance account as of the allowance transfer deadline for such control period.

(b) *Deductions for compliance.* After the recordation, in accordance with § 97.523, of TR NO<sub>x</sub> Ozone Season allowance transfers submitted by the allowance transfer deadline for a control period in a given year, the Administrator will deduct from each source's compliance account TR NO<sub>x</sub> Ozone Season allowances available under paragraph (a) of this section in order to determine whether the source meets the TR NO<sub>x</sub>

Ozone Season emissions limitation for such control period, as follows:

(1) Until the amount of TR NO<sub>x</sub> Ozone Season allowances deducted equals the number of tons of total NO<sub>x</sub> emissions from all TR NO<sub>x</sub> Ozone Season units at the source for such control period; or

(2) If there are insufficient TR NO<sub>x</sub> Ozone Season allowances to complete the deductions in paragraph (b)(1) of this section, until no more TR NO<sub>x</sub> Ozone Season allowances available under paragraph (a) of this section remain in the compliance account.

(c)(1) *Identification of TR NO<sub>x</sub> Ozone Season allowances by serial number.* The authorized account representative for a source's compliance account may request that specific TR NO<sub>x</sub> Ozone Season allowances, identified by serial number, in the compliance account be deducted for emissions or excess emissions for a control period in a given year in accordance with paragraph (b) or (d) of this section. In order to be complete, such request shall be submitted to the Administrator by the allowance transfer deadline for such control period and include, in a format prescribed by the Administrator, the identification of the TR NO<sub>x</sub> Ozone Season source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct TR NO<sub>x</sub> Ozone Season allowances under paragraph (b) or (d) of this section from the source's compliance account in accordance with a complete request under paragraph (c)(1) of this section or, in the absence of such request or in the case of identification of an insufficient amount of TR NO<sub>x</sub> Ozone Season allowances in such request, on a first-in, first-out accounting basis in the following order:

(i) Any TR NO<sub>x</sub> Ozone Season allowances that were allocated to the units at the source and not transferred out of the compliance account, in the order of recordation; and then

(ii) Any TR NO<sub>x</sub> Ozone Season allowances that were allocated to any unit and transferred to and recorded in the compliance account pursuant to this subpart, in the order of recordation.

(d) *Deductions for excess emissions.* After making the deductions for compliance under paragraph (b) of this sec-

tion for a control period in a year in which the TR NO<sub>x</sub> Ozone Season source has excess emissions, the Administrator will deduct from the source's compliance account an amount of TR NO<sub>x</sub> Ozone Season allowances, allocated for a control period in a prior year or the control period in the year of the excess emissions or in the immediately following year, equal to two times the number of tons of the source's excess emissions.

(e) *Recordation of deductions.* The Administrator will record in the appropriate compliance account all deductions from such an account under paragraphs (b) and (d) of this section.

#### **§ 97.525 Compliance with TR NO<sub>x</sub> Ozone Season assurance provisions.**

(a) *Availability for deduction.* TR NO<sub>x</sub> Ozone Season allowances are available to be deducted for compliance with the TR NO<sub>x</sub> Ozone Season assurance provisions for a control period in a given year by the owners and operators of a group of one or more TR NO<sub>x</sub> Ozone Season sources and units in a State (and Indian country within the borders of such State) only if the TR NO<sub>x</sub> Ozone Season allowances:

(1) Were allocated for a control period in a prior year or the control period in the given year or in the immediately following year; and

(2) Are held in the assurance account, established by the Administrator for such owners and operators of such group of TR NO<sub>x</sub> Ozone Season sources and units in such State (and Indian country within the borders of such State) under paragraph (b)(3) of this section, as of the deadline established in paragraph (b)(4) of this section.

(b) *Deductions for compliance.* The Administrator will deduct TR NO<sub>x</sub> Ozone Season allowances available under paragraph (a) of this section for compliance with the TR NO<sub>x</sub> Ozone Season assurance provisions for a State for a control period in a given year in accordance with the following procedures:

(1) By June 1, 2015 and June 1 of each year thereafter, the Administrator will:

(i) Calculate, for each State (and Indian country within the borders of such State), the total NO<sub>x</sub> emissions from